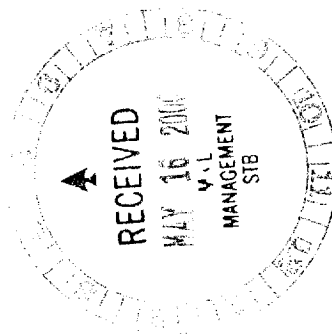


THOMPSON
HINE & FLORY LLP

Attorneys at Law

May 16, 2000

198645



Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582 (Sub-No.1)
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

ENTERED
Office of the Secretary

MAY 16 2000

Part of
Public Record

Re: STB Ex Parte No. 582 (Sub-No.1); *Major Rail Consolidation Procedures*

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding is the original and twenty-five (25) copies of the comments of the Colorado Rail Competition Coalition. Also enclosed is a 3.5 inch diskette, containing the Comments in a format which may be converted to WordPerfect 7.0. Any questions regarding this filing should be directed to the undersigned or Ms. Holly Probst at (303) 294-2810.

Respectfully submitted,

Thomas W. Wilcox

Thomas W. Wilcox

198645

May 16, 2000

Chairman Linda J. Morgan
Vice Chairman Wayne O. Burkes
Commissioner William Clyburn, Jr.

Re: STB Ex Parte No. 582 (Sub-No.1)

Dear Board Members:

The Colorado Rail Competition Coalition is comprised of entities which operate in Colorado yet compete on a national and global basis. These entities represent industries such as agriculture, coal and utilities which rely on rail transportation for the shipment of commodities. Because of this, the Coalition is especially concerned by what a new round of rail mergers would do to competition within the rail industry. We commend the STB for its decision to issue a moratorium on all rail merger activity until new merger rules can be proposed, and we submit these comments for the advance notice of proposed rulemaking, STB Ex Parte No. 582 (Sub-No. 1).

Over the last 20 years, since passage of the Staggers Rail Act, Colorado has seen the number of railroads operating within the state dwindle to just two Class I railroads -- the Burlington Northern Santa Fe (BNSF) and Union Pacific (UP). The result of this limited competition is that many Colorado shippers are captive to just one rail option, subjecting them to diminished service and reliability as well as increased costs. For our industries to remain healthy, a competitive railroad industry is vital.

The Staggers Rail Act was passed by Congress to deregulate the rail industry and promote competition. However, shippers have seen competition decrease rather than flourish, and limited rail competition not only affects our industries but also our local and national economies and customers. With that in mind, the Coalition was encouraged to hear that the STB will look at rules for "promoting and enhancing competition" rather than preserving the status quo.

The Coalition understands that the STB has been hearing specific recommendations on rule changes. While the STB considers new rules so future mergers will not negatively affect shippers, we hope the STB will give full consideration to remedying current problems which exist such as bottlenecks, "tie-in" agreements and lack of competition in terminal areas. Ideally, we would like to see the STB develop rules which implement the language and intent of the

Staggers Rail Act. Any rules that do not address current shipper problems only delay needed remedies and further harm shippers.

We also believe it would be appropriate for the STB to review the competitive impact of any future rail consolidations or combinations using the same antitrust laws applicable to other industries whose potential mergers are reviewed by the Department of Justice.

The Coalition appreciates the opportunity to provide comments as a part of this process, and we look forward to the STB's recommendations on new merger rules.

Sincerely,

Colorado Association of Wheat Growers
Colorado Corn Growers Association
Colorado Farm Bureau
Public Service Company of Colorado
RAG American Coal Company